

MONTANA MEANS BUSINESS

MONTANA IS WIND COUNTRY



HARNESSING THE WIND FOR TODAY'S POWER AND TOMORROW'S ENERGY SOLUTION



Judith Gap Wind Farm photos courtesy John Bacon/Invenergy, LLC.



Montana is Wind Country

Montana leads the nation in wind energy power potential and the state is at the center of North America's wind heartland. Wind energy is clean and renewable and provides the "green" complement to Montana's world class reserves of coal as well as oil and natural gas. Much of Montana's wind has yet to be tapped and represents a great investment opportunity.



MONTANA'S WIND ENERGY OBJECTIVES

Combining wind energy with conventional and advanced fossil power sources offers a stable “green” energy package that meets the growing demand for cleaner energy while advancing the national goal of energy independence.

Our mission is to support all types of wind development, from industrial scale wind farms to locally owned community wind models serving individual farms, businesses and homes, as well as the construction of electric transmission lines that deliver Montana’s wind power to high demand markets.



MONTANA DEMOGRAPHICS: AT-A-GLANCE

Land area: 147,138 square miles

Population (2005): 935,670

Urban: 54%

Rural: 46%

Persons per square mile: 6.4

Major Cities:

Billings	96,977	Missoula	61,790
Great Falls	56,503	Bozeman	32,414
Butte	32,393	Helena	27,196

Gross state income (millions of current dollars): \$27,701

Total State Tax (2005): \$1,787,889,000 Rank: 47

Total Tax Per Capita: \$1,910 Rank: 35

Total Montana Exports: \$842.7 million

Wheat	\$278.0 million
Industrial Machinery	\$110.3 million
Inorganic Chemicals	\$75.3 million
Paper and paperboard	\$39.0 million
Wood and Wood Products	\$33.4 million
Precious metals	\$10.3 million

Civilian labor force: 483,043

Employed: 461,746

Total households: 358,667

Persons per household: 2.45

Per capita personal income (2005): \$29,387

Median household income (2004): \$35,201

Average wage per job: \$27,721

WIND ENERGY ASSETS

Montana is the fourth largest state, but #1 in the nation for wind speed (class 3 and above), available on a wide expanse of federal, state and private lands. The majority of wind sites are located in low population areas and near rural communities that strongly support wind energy development, avoiding objections to visual impacts. Some counties, such as Cascade County, offer developers GIS based maps providing information on wind resource classification, roads, transmission lines, property ownership and topography. County officials stand ready to introduce potential developers to land owners and turn prospects into projects.

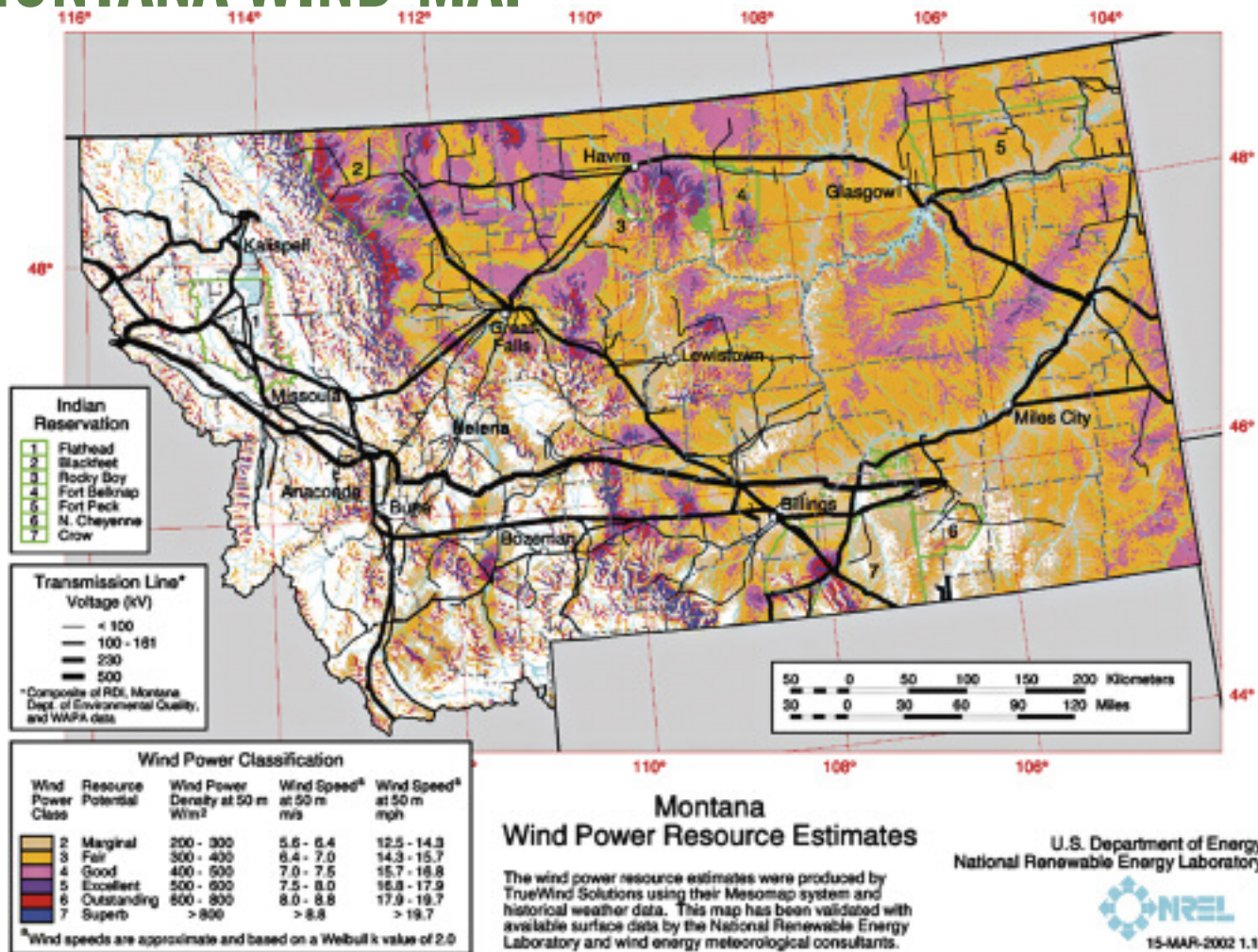
WIND PROJECTS

Four major industrial scale wind projects have gone on line in Montana since 2005, moving Montana from a ranking of 50th to 15th in the nation in wind energy production:

- October, 2005. **Judith Gap Wind Farm**, Wheatland County: 135 MW with a proposed 52.5 MW expansion.
- January, 2006. **Horseshoe Bend Wind Park**, near Great Falls: 9MW
- January, 2008. **Diamond Willow Wind Farm**, near Baker: 19.5 MW
- July, 2008. **Glacier Wind Farm**, near Shelby: 510 MW
- 2009 and beyond: **More than 50 projects** that would add an additional 4000 MW to Montana's portfolio are in the works



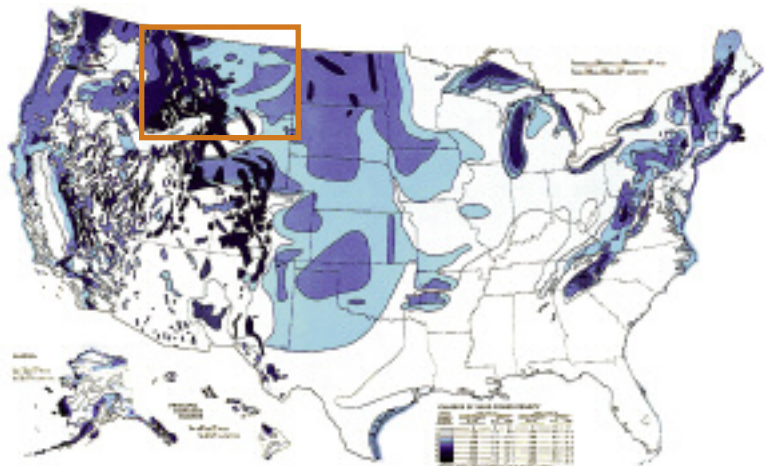
MONTANA WIND MAP



NATIONAL WIND MAP

Montana is the wind energy capital of the United States. The national map (right) shows that Montana has the highest concentration of wind power potential in the nation. The Montana map shows the best wind power locations the state has to offer while showing the proximity of electric transmission lines.

Wind speeds estimated by TrueWind Solutions
(<http://www.windpowermaps.org>), 2002
Montana State Library: map #07deq0049, September 6, 2006



ENVIRONMENTAL CONSIDERATIONS

Under Governor Schweitzer's leadership, the Montana Legislature passed a bill requiring a 15% renewable energy portfolio standard by 2015. Governor Schweitzer was also the first governor to endorse the national "25 x '25 Initiative", a grassroots effort gaining bipartisan support to pass federal legislation requiring 25% of US energy demand be supplied by renewables by 2025. Since 2005 he has gained national attention for developing an energy plan in Montana that promotes conservation and developing our abundant energy resources in a responsible manner.



Wind energy is clean, renewable, and produces zero green house gasses (GHG's). Avian studies show impacts to birds can be mitigated, and low population area locations minimize visual impact objections. Market demand for clean power is continuing to grow; California alone will need an additional 21,000MW and is legally demanding that imported electricity meet the "green" standards adopted in 2005.

TRANSMISSION TO MARKET

New market delivery paths planned and/or in development for Montana windpower:

- **Havre to Rainbow and Wolfe Point to Williston Transmission Upgrades – 2006/2008**

These two Western Area Power Administration (WAPA) projects will upgrade the existing lines from 161 kV to 230 kV

- **Montana Alberta Tie, Ltd. (MATL)– May, 2005**

The Montana Alberta Tie Line (MATL) is a 600 MW, 215 mile merchant (private) transmission line connecting Great Falls and Lethbridge, Alberta. The line is slated to be constructed in 2009.

- **Chinook – October, 2006**

TransCanada's Chinook (formerly Northern Lights) is a proposed 800 mile, 3000MW high voltage direct current (HVDC) transmission line connecting eastern Montana through Townsend to Las Vegas, Nevada, with target markets in Las Vegas, Southern California and Phoenix.

- **Mountain States Transmission Intertie (MSTI) – July, 2008**

Mountain States Transmission Intertie (MSTI) is a proposed project from NorthWestern Energy to provide 1,500 MW of new transmission capacity on a 500 kV line between the Butte area and mid-point Idaho. This project is in permitting and would be built between substations located near Townsend and Jerome, Idaho with an in-service date of 2013.

- **BPA / Colstrip 500 kV Transmission Line Upgrades – September, 2008**

NorthWestern Energy is commissioning technical studies on a project to increase the capacity of the existing high voltage transmission line from Colstrip to the west coast by up to 750 MW. NorthWestern is working with EPD, Pacific Corp, Puget Sound Power, Portland Electric and BPA. Funding agreement studies to move this first phase forward are expected to be done in early 2009.

Additional corridors on federal and private lands are currently being identified through federal processes. Governor Schweitzer endorses streamlining permitting processes through multi-state and state and federal cooperative agreements and designating one lead agency to spearhead the state review process.

FEDERAL INCENTIVES

- **Corporate Depreciation**
- **Corporate Exemption**
- **Corporate Tax Credit**
- **Federal Grant Program**
- **Federal Loan Program**
- **Industry Recruitment/Support**
- **Personal Exemption**
- **Personal Tax Credit**
- **Production Incentive**
- **Alternative Fuel and Vehicle Incentives**
- **Public Utilities Regulatory Policy Act of 1978 (PURPA):** The law requires utilities to purchase energy from non-utility generators or small renewable energy producers that can produce electricity for less than what it would have cost for the utility to generate the power, or the “avoided cost.”

Citation: From the Database of State Incentives for Renewables & Efficiency, www.dsireusa.org



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STATE INCENTIVES

Montana adopted a state renewable energy portfolio standard in 2005 requiring 15% renewable power by 2015. Listed below are other incentives available from the state of Montana:

- 15-6-201(4) MCA** Property tax exemption for buildings using renewable energy.
- 15-6-225 MCA** Property tax exemption for renewable generating facilities under 1 MW.
- 15-24-1401 MCA** Property tax reduction for renewable generating facilities 1 MW or more.
- 15-31-124 MCA** New or expanded industry tax credit.
- 15-32-201 MCA** Tax credits for individuals installing nonfossil forms of generation.
- 15-32-401 MCA** Alternative energy investment tax credit.
- 15-72-104 MCA** Exemption from wholesale energy transaction tax.



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